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The Manufacturers Hanover
Financial Digest
Weekly Commentary, Selected Financial Data, and Business Indicators

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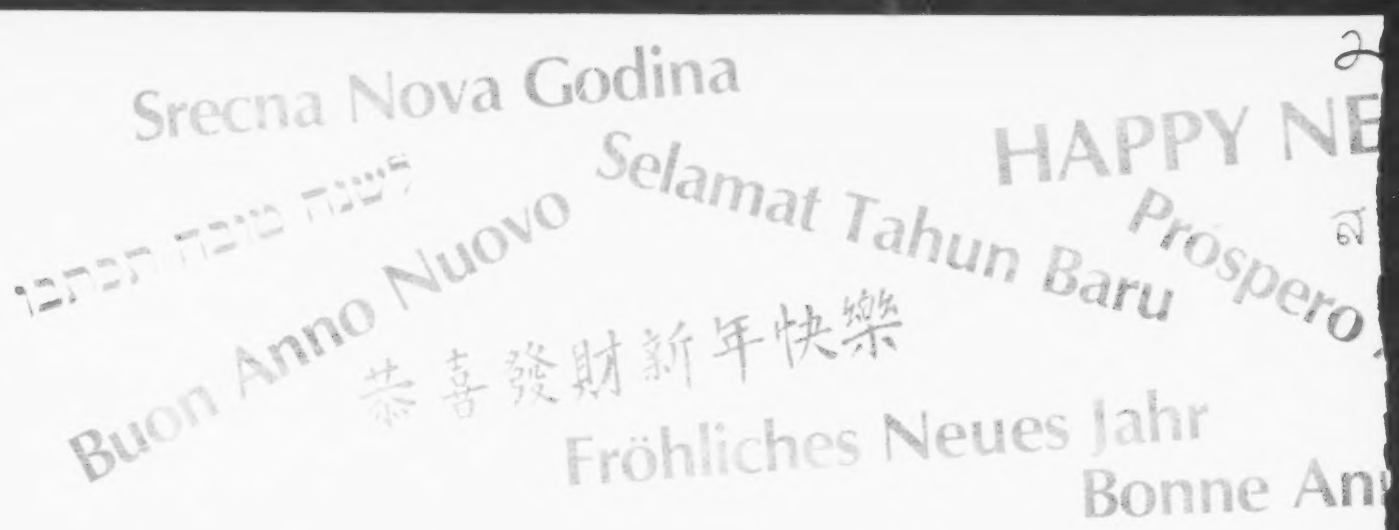


Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

	Week Ending 12/17/80	$ Change Since Week Ago	$ Change Since Year Ago
Reserve Bank Credit			
U.S. Gov'ts and Agencies Owned Outright & RPs	130.203	+ 2.413	+ 4.312
Loans to Depository Inst.	1.505	– .281	– .181
Float	4.151	– .331	– 1.981
Total Reserve Bank Credit	143.912	+ 2.657	+ 4.855
Treasury Deposits with Federal Reserve Banks	2.784	+ .556	+ .144
Currency Outside Banks	121.999	+ .260	+10.381
Member Bank Reserves:			
Required	40.554	+ 1.361	– 3.139
Excess (Deficiency)	.435	+ .173	+ .283
Total Reserves Held	40.989	+ 1.534	– 2.856
Net Borrowed Reserves	.946	– .467	– .505
Gov'ts held for Foreign Acct. by F.R. Banks (End-of-Week)	91.227	+ .336	+13.443

Monetary Aggregates †		% Change Since Three Months Ago*	% Change Since Year Ago
M-1A (12/10/80)	386.6	+ 7.5‡	+ 5.6‡
M-1B (12/10/80)	412.4	+ 9.8‡	+ 7.7‡
M-2 (November '80)	1,688.8	+ 9.7	+ 10.1
L (September '80)	2,295.1	+ 12.4	+ 8.8

†Seasonally adjusted. * Seasonally adjusted annual rate. ‡Four-week moving average.

New York Money Market

Offering Rates 12/26/80	3 Months	6 Months	1 Year
‡U.S. Treasury Bills	14.40%	13.77%	12.40%
* Federal Agencies	16.50	15.30	14.35
* Project Notes–Taxfree (46% Taxable Equivalent)	12.96	13.70	13.89
Negotiable Time CDs Manufacturers Hanover	Rates By Arrangement		
* Secondary Market–Prime	18.00	14.50	

‡Finance Company Paper–Prime	
5- 14 days	16.00%
15- 29 days	18.00
30- 89 days	15.75
90-179 days	15.00
180-270 days	12.00

‡* Bankers' Acceptances	
Jan.	18.50%
Feb.	17.50
Mar.	16.40
Apr.	15.50
May	15.00
Jun.	14.50

‡Industrial Paper–Prime

30- 89 days	18.75%
90-120 days	17.00

†Federal Funds Effective Rate 17.50%

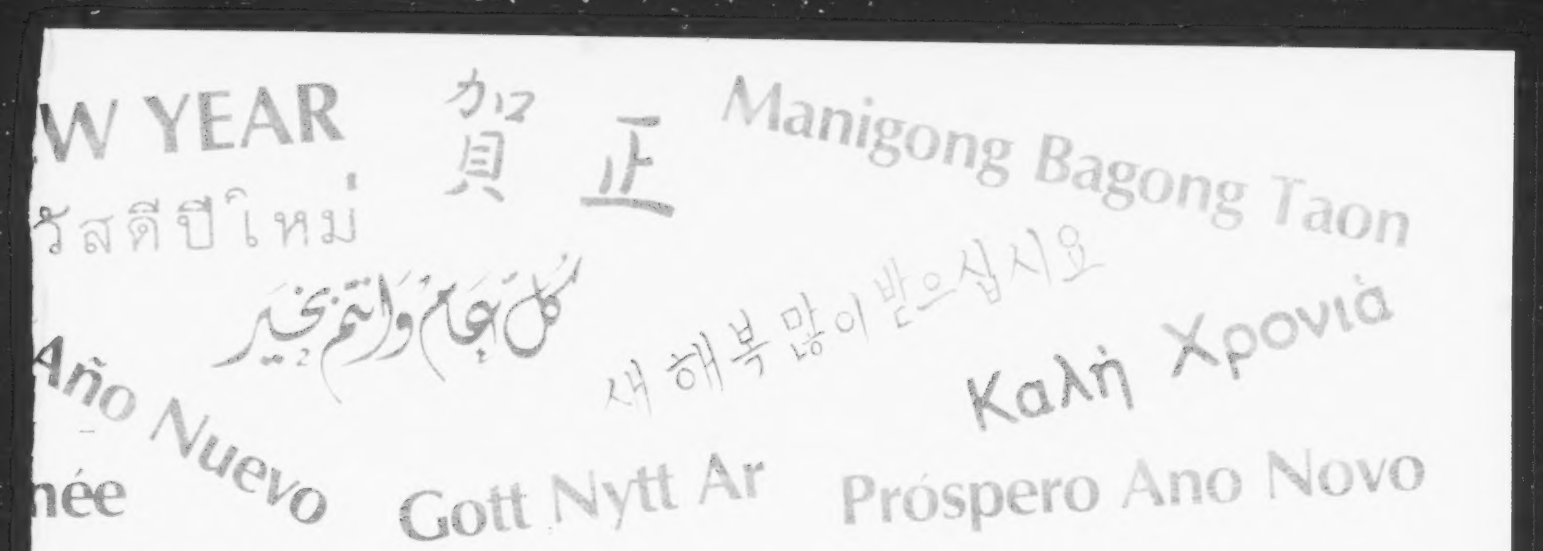
‡Discount basis. * Subject to availability. † Estimated.

Selected Business Indicators

(All Dollar Figures in Billions)

	Latest Period or End of Period		Previous Period	Year Ago Period
Gross National Product (Current Dollars)*	3rd Q'80	$ 2,637	$ 2,565	$ 2,444
Gross National Product (1972 Dollars)*	3rd Q'80	$ 1,472	$ 1,463	$ 1,488
Percent Change, Annual Rate	3rd Q'80	2.4%	– 9.9%	4.1%
Change in Consumer Prices (all urban consumers)*	Nov '80n	12.0%	12.0%	12.0%
Change in Producer Prices*	Nov '80	7.2%	9.6%	14.4%
Civilian Employment (Thousands of Persons)†	Nov '80	97,396	97,176	97,608
Unemployment as % of Civilian Labor Force†	Nov '80	7.5%	7.6%	5.8%
Personal Income*	Nov '80n	$ 2,257	$ 2,233	$ 2,006
Leading Indicators Composite Index (1967=100)†	Oct '80	136.3	135.1	137.8
Industrial Production Index (1967=100)†	Nov '80	148.5	146.5	152.3
Net Change in Consumer Installment Credit†	Oct '80	$ 1.46	$ 1.45	$ 2.19
U.S. Merchandise Trade Balance†	Oct '80	–$ 0.97	–$ 0.76	–$ 2.36
Plant and Equipment Expenditures*	1st Q'81	$310.59(a)	$297.30(a)	$291.89
Private Housing Starts (Thousands of Units)*	Nov '80	1,555	1,561	1,522
New Construction Expenditures*	Oct '80	$ 225.0	$ 224.1	$ 239.9
Total Business Inventories†	Oct '80	$ 457.3	$ 454.6	$ 422.7
Total Business Sales†	Oct '80	$ 325.5	$ 318.3	$ 298.5

*Seasonally adjusted annual rate. †Seasonally adjusted. n-Newly reported figure. a-Anticipated.



Short Term Paper Outstanding

(Millions of Dollars)

	Latest Week	Change Since Week Ago	Change Since Year Ago
Negotiable Time CD's Weekly Reporting Banks			
Nationwide (12/10/80)	108,898	+ 1,498	+15,490
New York City (12/10/80)	26,657	+ 2	+ 6,548
Commercial Paper (12/10/80)	124,923	– 2,310	+13,929

Bank Loans

(Millions of Dollars)

Commercial and Industrial Loans

Weekly Reporting Large Commercial Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/10/80)	172,787	+ 527	+19,071
New York City (12/10/80)	51,780	+ 675	+ 6,433

Total Loans Gross Adjusted

	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/10/80)	425,461	+ 1,284	+34,278
New York City (12/10/80)	100,452	+ 696	+13,363

Financial Markets

	Friday 12/26/80	Change Since Week Ago	Change Since Year Ago
U.S. Governments, Closing Yields:			
90-Day Bills†	15.12%	– .50	+ 2.60
180-Day Bills†	15.00	– .48	+ 2.26
Longest Bills†	13.90	– .53	+ 1.96
Recent Issues:			
15 1/8s 12/31/82	13.00	– .95	
14s 12/31/84	12.70	– .64	
13s 11/15/90	12.20	– .44	
12 3/4s 11/15/10	11.83	– .39	
Municipals:			
Bond Buyer–20 Bond Index* (12/24/80)	9.99%	– .57	+ 2.76
Blue List Total ($ Million)	$ 562	– $192	– $ 80
30-Day Visible Supply ($ Million)	$ 865	– $197	– $ 175
Total	$1,427	– $389	– $ 225
Corporates:			
Moody's Aa Composite (12/24/80)	13.59%	– .41	+ 2.33
Money Mgr.–30-Day Supply ($ Million)	$3,417	+ $ 54	+ $2,072
Stocks:			
Dow-Jones Averages:			
Industrials	966.38	+ 29.18	+ 127.47
Transportation	399.92	+ 7.89	+ 146.66
Utilities	116.79	+ 1.09	+ 9.75
65 Stocks	375.62	+ 8.92	+ 76.76
Standard and Poor's 500 Stocks	136.57	+ 2.87	+ 28.73
N.Y.S.E. Composite Index	78.28	+ 1.42	+ 16.40
N.Y.S.E. Avg. Daily Vol. for Week (000's)	38,220	–12,328	+ 10,712

* 46% Taxable equivalent 18.50%.

† Bond equivalent.

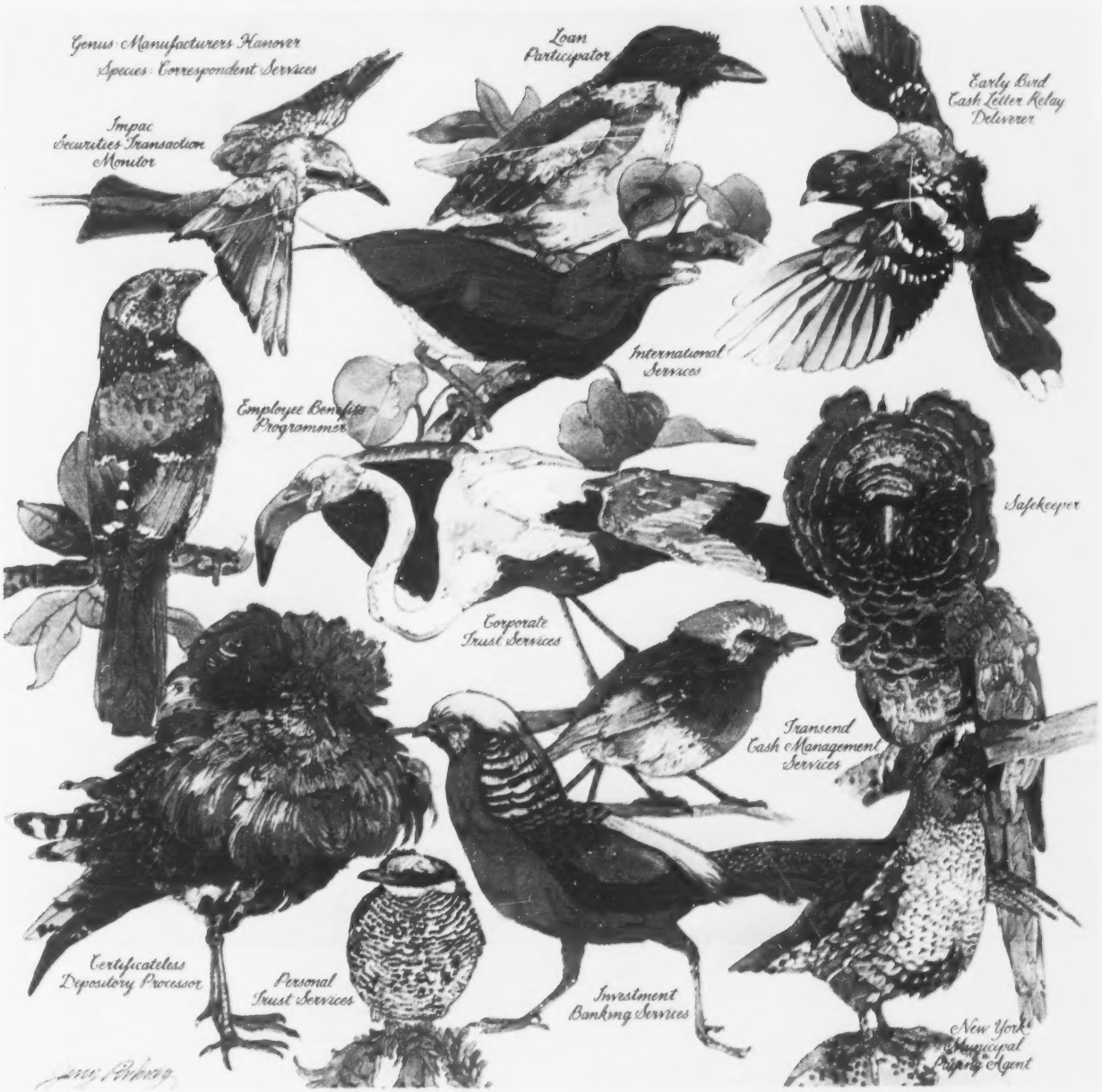
International Rates

	Friday 12/26/80	Week Ago
EURODOLLAR DEPOSIT RATES (bid)		
Overnight	20.50%	20.00%
1 month	20.00	21.63
3 month	18.12	20.06
6 month	17.12	17.88
1 year	15.44	15.88
EURODOLLAR BONDS		
Average Yield		
Medium Term (5 to 7 yrs.)	NA	13.30%
Long Term (7 to 15 yrs.)	NA	13.15

FOREIGN EXCHANGE SPOT RATES

New York Opening (12/26/80)	U.S. $ Equivalent	Currency Per U.S. $
Belgium	.0318	31.42
Canada	.8407	1.1895
Denmark	.1671	5.9860
France	.2227	4.4900
Germany	.5149	1.9420
Italy	.001083	923.00
Japan	.004810	207.90
Mexico	.04310	23.20
Netherlands	.4728	2.1150
Switzerland	.5666	1.7650
U.K.	2.3700	.4219

THE CORRESPONDENT WATCHER'S GUIDE.



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